

## Old Age, Disability, Death

First law: 1924.

Current law: 1993, 1995, 1996.

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 12.19 Kroons (EEK).

### Coverage

All persons currently residing in Estonia.

### Source of Funds

**Insured person:** Employees, none. Self-employed, individual farmers and members of the liberal professions, 20% of income equal to or above the minimum salary.

**Employer:** Portion of social tax, (20% of employee's gross salary).

**Government:** Any deficit; funeral grants.

### Qualifying Conditions

**Old-age pension:** Minimum pensionable length of service: 15 years in the Republic of Estonia.

Until January 1, 1994, the retirement age was 60 for men and 55 for women. Since then, the pensionable age has been rising by 6 months per year, and will continue to rise until it reaches 65 for men and 60 for women in 2007.

In certain cases, persons have the right to old-age pension under favorable conditions such as: mothers who have given birth to 5 or more children, persons who have reared a disabled child, and persons who have worked under extremely unhealthy and arduous conditions may be eligible for retirement 10 years before the normal pensionable age (minimum length of service 20-25 years for men, 15-20 years for women.)

National pension: Age 65 for men, 60 for women.

**Disability pension:** Full or partial permanent or long-term disability for work regardless of pensionable length of service.

**Survivor pension:** Survivors incapable of gainful activity; the children and surviving spouse are entitled to pension whether they were dependents of the breadwinner or not.

Survivors include: children, siblings, grandchildren under age 18 or disabled; parent, surviving spouse or guardian not gainfully employed and raising the breadwinner's children, brothers, sisters or grandchildren under 14 years of age.

Pensions are not taxed.

### Old-Age Benefits

National pension: Set by legislature and adjusted for changes in the cost of living. 360 EEK, rising to 410 EEK April 1, 1995.

**Old-age pension:** The basic pension sum is equal to the national pension. This is supplemented by a certain percentage of the national pension rate for every year of pensionable coverage: 15-19 years, 3.2%; 20-24 years, 3.3%; 25-29 years, 3.4%; 30-34 years, 3.7%; 35-39 years, 3.8%; 40 or more years, 4.0%.

National pension: Set by legislature and adjusted for changes in the cost of living. 135% of national pension rate (410 EEK).

## Permanent Disability Benefits

**Disability pension:** In three categories, depending on the degree of disability. Benefit categories are 200%, 170% and 135% of national pension rate.

Disabled child under 16: 140% of national pension (210% if entitled to survivor pension, 255% if orphan).

### Survivor Benefits

**Survivor pension:** For every adult, 150% of national pension rate; for every child under age 18, 140% of national pension rate; for an orphan, 170% of national pension rate.

Funeral grant: 1,250 EEK.

### Administrative Organization

Ministry of Social Affairs: General management and supervision.

National Social Insurance Board: Overall planning and guaranteeing payment of pensions.

Regional pension offices: Administration on local level.

## Sickness and Maternity

First law: 1924.

Current law: 1991.

Type of program: Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Insured employees, employers, farmers, individual workers and their families.

**Medical benefits:** All permanent residents.

### Source of Funds

**Insured person:** Employees, none; self-employed, individual farmers and members of the liberal professions, 13% of income in excess of minimum salary.

**Employer:** Part of social tax (13% of employee's gross salary).

**Government:** None

### Qualifying Conditions

**Sickness benefits and medical care:** Current affiliation regardless of length of service.

**Medical benefits:** Permanent residence.

### Sickness and Maternity Benefits

**Sickness benefit:** Compensation equivalent to a certain percentage of worker's average income is paid for each calendar day: 60% for hospital treatment; 65% for sanatorium; 80% for polyclinic or home treatment.

From first day of sickness: Caring at home for a family member over 14 years of age, 80% for 7 calendar days; caring at home for a child under 3 years of age (up to 16 years for a disabled child) if the mother is ill, 80% for 14 calendar days; caring for a child under 14, 100% for 14 calendar days.

**Maternity benefits:** 100% of worker's average income for 126 calendar days; in the case of multiple births: 140 calendar days.

**Workers' Medical Benefits**

**Medical benefits:** Provided by state and local medical institutions: diagnosis, maintenance and treatment.

**Dependents' Medical Benefits**

**Medical benefits for dependents:** Same as for workers.

**Administrative Organization**

Ministry of Social Affairs: General management supervision and planning.

Central Sickness Fund: Coordination of health insurance.

Local sickness funds: Administration of health insurance in counties and towns. Medical care provided by doctors, polyclinics, hospitals, etc. Benefits are paid to the insured by the sickness fund through the employer.

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Regional Pension Offices: Administration and payment of permanent disability benefits.

**Unemployment**

First law: 1991.

Current law: 1994.

Type of program: Unemployment assistance.

**Coverage**

Permanent residents aged 16 or over (up to pensionable age) who are capable of gainful activity.

**Source of funds**

**Insured person:** None.

**Employer:** None.

**Government:** Total expenditure.

**Qualifying Conditions**

A person who has been registered as unemployed by the employment service and has worked for at least 180 days during a period of 12 months before becoming unemployed.

**Unemployment Benefits**

Unemployment benefit: 240 EEK for 180 calendar days; may be extended for additional 90 days under exceptional circumstances. The grant for attending retraining courses is at least 1.5 times higher than unemployment benefit (in 1997, 450 EEK). Payable for up to 6 months. Also a benefit for persons with diminished ability to compete, such as disabled, young people ages 16-20, persons who will reach pensionable age within 5 years and prisoners regaining freedom. One-time grant of up to 8,000 EEK for first-time job seekers.

**Administrative Organization**

Ministry of Social Affairs: General management and supervision. Labour Market Board with local employment offices: Registering the unemployed, job search, retraining, guaranteeing payment of benefits.

**Family Allowances**

First law: 1922.

Current law: 1994.

Type of program: Social insurance system.

**Coverage**

Families with children permanently residing in Estonia.

**Source of Funds**

**Insured person:** None.

**Employer:** None

**Government:** Total cost.

**Work Injury**

First law: 1924.

Current law: 1991.

Type of program: Social insurance system.

**Coverage**

Insured employees, farmers, self-employed and their families.

**Source of Funds**

**Insured person:** See pension and sickness insurance contributions, above.

**Employer:** Same.

**Government:** Payment of compensation for injured employees whose employer is insolvent.

**Qualifying Conditions**

**Work-injury benefits:** All permanent residents.

**Temporary Disability Benefits**

**Temporary disability benefits:** 100% of average income until recovery or determination of degree of disability.

**Permanent Disability Benefits**

**Permanent disability benefits:** Same disability pension as in other cases of disability.

The responsible employer pays the disabled person compensation for loss of earnings from which the disability pension is subtracted.

**Workers' Medical Benefits:**

Medical benefits: Same as in other cases of illness.

**Survivor Benefits**

Survivor pension: Same pension as in other cases of survivor pensions. The responsible employer pays compensation for loss of earnings from which the survivor pension is subtracted.

**Administrative Organization**

Ministry of Social Affairs: General management and supervision.

### Qualifying Conditions

**Family allowances:** All children until age 16, age 19 if full time student.

### Family Allowance Benefits

**Family allowance benefits:** 150 EEK per child. Additional 35 EEK for second, 85 EEK for each subsequent child. Children on partial state subsistence receive 50% of regular child benefit. Child benefit, adjusted for cost of living.

Birth grant: 12 times child's benefit.

Subsistence benefit: A parent on maternity leave or not working receives two times the child's benefit for each child under 18 months of age. A parent on maternity leave or not working with children aged 18 months to 3 years receives one child's benefit for each child; a non-working parent with a disabled child aged between 1.5 and 18 years receives 2 times a child's benefit for each disabled child. Benefit for a child of a serviceman in the national armed forces: one child's benefit for each child, payable for the whole period of the parent's service.

Guardian's benefits: Payable if child is under age 16 (age 19 if full-time student) at two times the child benefit for each child.

School benefit: Payable once a year at the rate of 1 child's benefit for each child who studies full time at school.

Single parents receive: if parent is disabled, 1.5 times child benefit for each child; single mother or where other parent has disappeared and is not contributing child support, 0.6 times child benefit for each child.

Start-in-life allowance: Children establishing their own first residence are entitled to a one-time allowance of 4,000 EEK.

Paid leave for parent of disabled child: One working parent of a disabled child is entitled to paid leave of one extra day per month.

Level of payment is based on the parent's average salary.

Additional benefits for families with 4 or more children: A parent on maternity leave or non-working, receives 115 EEK per month for each child aged 1-1/2 to 3 years; a non-working parent with children aged 3 to 16 (19 in case of full-time schooling) receives 230 EEK per month for the family until the youngest child has finished the first class.

### Administrative Organization

Ministry of Social Affairs: General management and supervision.

National Social Insurance Board: Overall planning and guarantee of benefits. Benefits are paid by the regional pension offices.